



Mark Scheme (Results)

Summer 2025

Pearson Edexcel International GCSE
In Business (4BS1)
Paper 02: Investigating large businesses

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General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

Q. No.	Which one of the following is a secondary sector activity? Answer	Mark
1 (a) (i)	AO1 - 1 mark The only correct answer is B - Engineering A – is not the correct answer as coal mining is primary sector C - is not the correct answer as farming is primary sector D - is not the correct answer as insurance is tertiary sector	(1)

Q. No.	Which one of the following is an external source of finance? Answer	Mark
1 (a) (ii)	AO1 - 1 mark The only correct answer is D - Bank loan A – is not the correct answer as – selling assets is internal B - is not the correct answer as – retained profit is internal C - is not the correct answer as – personal savings is internal	(1)

Q. No.	Which one of the following is the percentage decrease in the price of a latte? Answer	Mark
1 (a) (iii)	AO2 - 1 mark The only correct answer is C – 9.32% A – is not the correct answer as 0.55% is $5.90 - 5.35$ B - is not the correct answer as 2.94% is $5.90 - 5.35 \times 5.35$ D - is not the correct answer as 10.28% is $5.90 - 5.35/5.35 \times 100$	(1)

Q. No.	Which one of the following is the minimum number of owners in a partnership? Answer	Mark
1 (a) (iv)	AO1 - 1 mark The only correct answer is B - 2 A – is not the correct answer as 1 is not a partnership C – is not the correct answer as 20 is not the minimum number of people needed D - is not the correct answer as 50 is not the minimum number of people needed	(1)

Q. No.	Which one of the following would be the price in Rupees to be a member in India? Answer	Mark
1 (a) (v)	AO2 - 1 mark The only correct answer is A – 413.48 B – is not the correct answer as 1105.08 is 92.09×12 C – is not the correct answer as 4134.84 is 920.90×4.49 D - is not the correct answer as 4961.81 is $4.49 \times 12 \times 92.09$	(1)

Q. No.	Which one of the following is an external source of finance for managing immediate cash flow problems? Answer	Mark
1 (a) (vi)	AO1 - 1 mark The only correct answer is D - overdraft A – is not the correct answer as personal savings are an internal source of finance B – is not the correct answer as retained profit is an internal source of finance C - is not the correct answer as selling assets is an internal source of finance	(1)

Q. No.	Define the term social enterprise . Answer	Mark
1 (b)	AO1 - 1 mark Award 1 mark for a correct definition of social enterprise . • A business that aims to improve human or environmental well-being (1)	(1)

Q. No.	Define the term tertiary sector . Answer	Mark
1 (c)	AO1 - 1 mark Award 1 mark for a correct definition of tertiary sector . • Provides services to consumers and other sectors of industry (1)	(1)

Q. No.	State one reason why <i>Starbucks</i> wants to retain its employees. Answer	Mark
1 (d)	AO2 - 1 mark Award 1 mark for a valid reason why <i>Starbucks</i> wants to retain its employees in the context of the business • By retaining its employees <i>Starbucks</i> does not have to train new employees on how to make the coffee it sells (1) • If employees remain at <i>Starbucks</i> they will become more proficient and may be promoted to a coffee master or a coffee manager (1) NB Do not accept a reason that is not in the context of <i>Starbucks</i> . Accept any appropriate response	(1)

Q. No.	Calculate, to two decimal places, the estimated total revenue in 2030. You are advised to show your working. Answer	Additional Guidance	Mark
1 (e)	A02 - 2 marks 165.7 x 1.3825 (1) = 229.08 (1)	Award 1 mark for correctly substituting numbers into formula. Award full marks for correct answer with no working.	(2)

Q. No.	Explain one disadvantage for a business of training its employees. Answer	Mark
1 (f)	A01 - 3 marks Award 1 mark for identification of a disadvantage for a business training its employees, plus 2 further marks, for a maximum of 3 marks. • Training employees takes a great deal of time (1) and needs existing employees to carry out the training (1) which can reduce the productivity of the business (1) • Existing employees have to be taught how to train employees (1) which incurs additional expense (1) for the business and there is no guarantee they are trained efficiently (1) NB No marks are awarded for a definition. Answers that list three disadvantages with no explanation will get 1 mark only. Accept any appropriate response.	(3)

Q. No.	Analyse the benefits for <i>Starbucks</i> of using batch production.	Mark
	Indicative content	
1 (g)	A02 = 3 marks A03 = 3 marks A02 • <i>Starbucks</i> uses batch production means that they can produce cakes at a lower cost per unit • It maximises the use of kitchen equipment and reduces waste of ingredients for sandwiches A03 • Which ensure a uniform taste and quality across all locations • This decreases production time ensuring a wide range of sandwiches for sale	(6)

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1-2	• Limited application of knowledge and understanding of business concepts and issues to the business context (A02) • Attempts to deconstruct business information and/or issues, finding limited connections between points (A03)
Level 2	3-4	• Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (A02) • Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (A03)
Level 3	5-6	• Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (A02) • Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (A03)

Q. No.	State one reason why <i>Starbucks</i> should have good communication with its customers. Answer	Mark
2 (a)	AO2 - 1 mark Award 1 mark for a reason why <i>Starbucks</i> should have good communication with its customers. • By communicating with customers, they are likely to return to buy more sandwiches from <i>Starbucks</i> (1) • Having good communication with customers encourages them to return to the shop so that a customer orders coffee and cake is understood and accurately delivered (1) NB Do not accept a reason that is not in the context of <i>Starbucks</i>. Accept any appropriate response.	(1)

Q. No.	State one way <i>Starbucks</i> could follow health and safety legislation. Answer	Mark
2 (b)	AO2 - 1 mark Award 1 mark for a valid way <i>Starbucks</i> could follow health and safety legislation in the context of the business • Employees must ensure that when they are serving customers with biscuits they are handled with tongs or gloved hands (1) • Employees need to following the rules and regulations when using the coffee machines to avoid hot water and steam that could burn their hands (1) NB Do not accept a way that is not in the context of <i>Starbucks</i>. Accept any appropriate response.	(1)

Q. No.	Explain one reason why many manufacturing businesses use just-in-time (JIT). Answer	Mark
2 (c)	A01 - 3 marks Award 1 mark for identification of a reason why many manufacturing business use just-in-time (JIT), plus 2 further marks for explaining the reason, for a maximum of 3 marks. - JIT reduces the amount of inventory held by a business (1) reducing the costs associated with over ordering of inventory (1) meaning overall costs for a business may be reduced (1) - JIT reduces the amount of out-of-date or damaged stock (1) reducing the amount of storage space required for inventory (1) and this can then be used for other business activities (1) NB No marks are awarded for a definition. Answers that list three reasons with no explanation will get a 1 mark only. Accept any appropriate response.	(3)

Q. No.	Explain one reason why it is important that businesses pay their suppliers on time. Answer	Mark
2 (d)	A01 - 3 marks Award 1 mark for identification of one reason why it is important for a business of paying its suppliers on time, plus 2 further marks for explaining the reason for a maximum of 3 marks. - Paying suppliers on time establishes a good relationship with suppliers (1) and if a business needs goods urgently from them (1) they would be more likely to help them knowing they would be paid on time (1) - Paying on time, gives the business better negotiating powers with the supplier (1) so that if the supplier trusts them they may negotiate better prices (1) thus keeping its costs down (1) NB No marks are awarded for a definition. Answers that list three reasons with no explanation will get a 1 mark only. Accept any appropriate response.	(3)

Q. No.	Explain one effect on a business if interest rates are decreased. Answer	Mark
2 (e)	A01 - 3 marks Award 1 mark for identification of an effect on a business if the interest rates are decreased, plus 2 further marks for explaining the importance, for a maximum of 3 marks. • A decrease in interest rates reduces the cost of borrowing for a business (1) making it cheaper to finance new projects/expansion (1) improving the profitability of the business (1) • This could increase sales income for a business (1) because consumers may have more money to spend (1) on additional items they might want, which the business sells (1) NB No marks are awarded for a definition. Answers that list three effects with no explanation will get 1 mark only. Accept any appropriate response.	(3)

Q. No.	Option 1: financial methods Option 2: non-financial methods. Justify which one of these two methods <i>Starbucks</i> should choose. Indicative content	Mark
2 (f)	AO2 = 3 marks, AO3 = 3 marks, AO4 = 3 marks AO2 • Option 1 – By offering financial methods to its employees, such as bonus payments if the coffee shop increases its sales • Option 2 – If <i>Starbucks</i> could offer its employee's non-financial benefits such as job enrichment within the coffee shop, so employees can gain more skills and knowledge of the business AO3 • Option 1 – Employees recognise that they are being financially rewarded for working hard and enjoy the extra income and this may encourage them to stay with the business • Option 2 – Employees will gain new skills and knowledge and feel valued by <i>Starbucks</i>, which may help them gain promotion such as becoming an assistant manager and they will feel more loyal to Starbucks AO4 • Option 1 – However, not all employees are interested in bonus payments, as many employees are more interested in a good work-life balance and more concerned with non-financial incentives • Option 2 – However, not all employees are motivated by non-financial methods of motivation, they may prefer having additional funds added to their pay slip so that they can pay their bills	(9)

Level	Mark	Descriptor
	0	No Rewardable material.
Level 1	1-3	- Limited application of knowledge and understanding of business concepts and issues to the business context. (AO2) - Attempts to deconstruct business information and/or issues, finding limited connections between points. (AO3) - Makes a judgement, providing a simple justification based on limited evaluation of business information and issues relevant to the choice made. (AO4)
Level 2	4-6	- Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies. (AO2) - Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies. (AO3) - Makes a judgement, providing a justification based on sound evaluation of business information and issues relevant to the choice made. (AO4)
Level 3	7 - 9	- Detailed application of knowledge and understanding of business concepts and issues to the business context throughout. (AO2) - Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3) - Makes a judgement, providing a clear justification based on a thorough evaluation of business information and issues relevant to the choice made. (AO4)

Q. No.	Define the term crowdfunding . Answer	Mark
3 (a)	A01 - 1 mark Award 1 mark for a correct definition of crowdfunding . Where a large number of individuals invest in a business using an online platform	(1)

Q. No.	Outline one reason why the proximity of labour is important to <i>Starbucks</i> . Answer	Mark
3 (b)	A02 - 2 marks Award 1 mark for identifying one reason why the proximity of labour is important to <i>Starbucks</i> plus 1 further mark for linking it to the context of the business. It provides increased access to potential workers (1) to serve as baristas in the shop (1) NB Award a maximum of 1 mark if there is no context anywhere in the answer. Accept any other appropriate response.	(2)

Q. No.	Calculate the salary of the <i>Starbucks</i> employee in Germany in euros. You are advised to show your workings. Answer	Additional Guidance	Mark
3 (c)	A02 - 2 marks $21\,000 \times 0.91$ (1) $= 19\,110$ (1)	Award 1 mark for correctly substituting numbers into formula. Award full marks for correct answer with no working.	(2)

Q. No.	Analyse why <i>Starbucks</i> wants to promote its existing employees. Indicative content	Mark
3 (d)	A02 = 3 marks A03 = 3 marks A02 • By promoting its own employees, to an Assistant Manager of a coffee shop, they will remain loyal to <i>Starbucks</i> • It reduces the cost of advertising for new employees who have experience of coffee shops A03 • As they are familiar with the aims of the business and how it works • As well as saving time and money training new employees in the ways that <i>Starbucks</i> works	(6)

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1-2	• Limited application of knowledge and understanding of business concepts and issues to the business context (A02) • Attempts to deconstruct business information and/or issues, finding limited connections between points (A03)
Level 2	3-4	• Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (A02) • Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (A03)
Level 3	5-6	• Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (A02) • Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (A03)

Q. No.	Option 1: Open coffee shops in supermarkets Option 2: Open coffee shops in hospitals. Justify which one of these two options <i>Starbucks</i> should choose. Indicative content	Mark
3 (e)	A02 = 3 marks, A03 = 3 marks, A04 = 3 marks A02 • Option 1 – If <i>Starbucks</i> opens coffee shops in supermarkets it could gain customers who want to have a coffee after finishing their shopping • Option 2 – By opening coffee shops in hospitals, means that friends/relatives who have travelled a distance getting to the hospital can have a drink A03 • Option 1 – Customers may also be encouraged to purchase a cake if they have had a busy time carrying out their food shopping • Option 2 – They may even take their relative in hospital for a coffee A04 • Option 1 – However, there is no guarantee that customers will want to stop and have a coffee after shopping they may prefer to go home • Option 2 – However, there is no guarantee that visitors to the hospital would want to stay and have a drink if their time was limited	(9)

Level	Mark	Descriptor
	0	No Rewardable material.
Level 1	1-3	- Limited application of knowledge and understanding of business concepts and issues to the business context. (AO2) - Attempts to deconstruct business information and/or issues, finding limited connections between points. (AO3) - Makes a judgement, providing a simple justification based on limited evaluation of business information and issues relevant to the choice made. (AO4)
Level 2	4-6	- Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies. (AO2) - Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies. (AO3) - Makes a judgement, providing a justification based on sound evaluation of business information and issues relevant to the choice made. (AO4)
Level 3	7 - 9	- Detailed application of knowledge and understanding of business concepts and issues to the business context throughout. (AO2) - Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3) - Makes a judgement, providing a clear justification based on a thorough evaluation of business information and issues relevant to the choice made. (AO4)

Q. No.	Calculate, to two decimal places, the cost of the meal with the employee's discount. You are advised to show your workings Answer	Additional Guidance	Mark
4 (a)	A02 - 2 marks 15.50 x 0.30 = 4.65 (1) 15.50 – 4.65 = 10.85 (1)	Award 1 mark for correctly substituting numbers into formula. Award full marks for correct answer with no working.	(2)

Q. No.	Analyse why <i>Starbucks</i> thinks it is important to interview candidates that have applied for a job with them. Indicative content	Mark
4 (b)	A02 = 3 marks A03 = 3 marks A02 <i>Starbucks</i> get the opportunity of meeting the prospective employees to check that they have the right skills to serve customers with the correct coffee drink - Additional questions can be asked of the candidate to judge whether or not they will meet the needs of producing sandwiches that customers require A03 - It ensures that employees will be able to serve <i>Starbucks</i> to the best of their ability - This could ensure that <i>Starbucks</i> gets the employees who will fit into the shops, giving the best service	(6)

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1-2	- Limited application of knowledge and understanding of business concepts and issues to the business context (AO2) - Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3)
Level 2	3-4	- Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2) - Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3)
Level 3	5-6	- Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2) - Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3)

Q. No.	Evaluate why <i>Starbucks</i> carries out product trials that might reduce the risks from introducing new products. You should use the information provided as well as your own knowledge of business. Indicative content	Mark
4 (c)	AO1 = 3 marks AO2 = 3 marks AO3 = 3 marks AO4 = 3 marks <u>AO1</u> • If <i>Starbucks</i> launch a new product they want to know customers will buy it • All new products need to be tested on the market and the larger the sample the more accurate the results <u>AO2</u> • <i>Starbucks</i> could have wasted a great deal of money introducing a new coffee which customers did not like • If <i>Starbucks</i> introduce a new cake, they need to know that customers are likely to purchase it <u>AO3</u> • By carrying out product trials they can find out if the new coffee flavour will be bought by customers • <i>Starbucks</i> need to gain customers opinion on the new product being introduced to see if it will sell <u>AO4</u> • However, there is no guarantee that just because some customers did not like the new coffee that it would not eventually become very popular • However, no matter how much research is done on a new product there is no guarantee that customers will want to purchase the item.	(12)

Level	Mark	Descriptor
	0	No Rewardable material.
Level 1	1-4	• Demonstrates elements of knowledge and understanding of business concepts and issues, with limited business terminology used. (AO1) • Limited application of knowledge and understanding of business concepts and issues to the business context. (AO2) • Attempts to deconstruct business information and/or issues, finding limited connections between points. (AO3) • Makes a judgement, providing a simple justification based on limited evaluation of business information and issues relevant to the choice made. (AO4)
Level 2	5 - 8	• Demonstrates mostly accurate knowledge and understanding of business concepts and issues including appropriate use of business terminology in places. (AO1) • Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies. (AO2) • Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies. (AO3) • Makes a judgement, providing a justification based on sound evaluation of business information and issues relevant to the choice made. (AO4)
Level 3	9 - 12	• Demonstrates accurate knowledge and understanding of business concepts and issues throughout, including appropriate use of business terminology. (AO1) • Detailed application of knowledge and understanding of business concepts and issues to the business context throughout. (AO2) • Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3) • Makes a judgement, providing a clear justification based on a thorough evaluation of business information and issues relevant to the choice made. (AO4)

